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# As Airline Megamergers Wrap Up, US Airways Flies Into History

By [MARILYN GEEWAX \(/PEOPLE/MARILYN-GEEWAX\)](#) • OCT 16, 2015

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*US Airways and American Airlines planes sit at the gates at Dallas/Fort Worth International Airport.*

LM OTERO AP

In a desk drawer, I have baggage tags from Eastern, TWA, Braniff, PanAm, Continental, Northwest and more.

As a journalist, I covered each of those airlines as they disappeared from the skies.

On Saturday, I can add one more to my defunct-carrier collection: US Airways will fade into history when its last flight, leaving from San Francisco on Friday night, lands in Philadelphia, scheduled for 6:18 a.m. ET.

That will be US Airways Flight 1939 — in honor of the year the airline began flying as All American Aviation (<http://www.usairways.com/en-US/aboutus/pressroom/history.html>).

All American morphed into Allegheny Airlines in 1953. The name changed again in 1979 to US Air, and later to US Airways.

And when Flight 1939 touches down, you can call the carrier "Kaput."

Nearly two years after its merger with American Airlines, the US Airways brand, along with the reservations system and frequent-flier program, finally will go away. Left standing will be American Airlines — one brand, one company.

And here's another thing that may start Saturday — an enduring period of airline stability, with just four huge carriers: American, Delta, United and Southwest.

Sure, there still will be smaller, niche players, such as JetBlue and Alaska Airlines. Some of them may yet merge with each other, or get absorbed by the Big Four. But those combinations wouldn't shake up the industry.

As for the major carriers, they are now looking solid ([https://www.rita.dot.gov/bts/press\\_releases/bts044\\_15](https://www.rita.dot.gov/bts/press_releases/bts044_15)), following years of industry turmoil marked by bankruptcies and mergers. The tumult began with the Sept. 11, 2001, terrorist attacks that crashed four planes. That was followed by a mild recession, and then in 2008, the start of the Great Recession, causing a dramatic drop in passengers and profits for several years.

Between 2001 and 2011, carrier after carrier sank into bankruptcy. Among the big airlines, only Southwest stayed out of Chapter 11.

The industry argued it had no hope for stability unless it could cut costs through mergers, and the Justice Department, in effect, agreed. The result was a megamerger wave that combined United and Continental, Delta and Northwest, and now American and US Airways.

Southwest remains independent and focused on a low-cost business model.

Antitrust regulators almost certainly would not allow any more gigantic combinations because that would have too big of an impact on competition.

With major carriers all paired off these days, megamergers "are over because the market is so depleted now," said John Pincavage, a longtime airline consultant who heads Pincavage & Associates.

One way to bring in more large-scale competition would be to allow foreign carriers to operate domestic routes. Under current rules, you can fly from New York to Dubai on Emirates airline (<http://www.emirates.com/us/english/offers/2098980/new-york-to-dubai-and-beyond?intcid=offers-tn-2098980>), but not from New York to St. Louis.

Pincavage says that if domestic fares were to shoot up, the federal government might open the door to allow foreign competition. The future "is going to be more multinational," he predicts.

For now at least, the Justice Department is going to see what happens with United, American, Delta and Southwest slugging it out. Given the plunge in jet fuel prices in the past year, regulators and consumers may find themselves enjoying a smooth ride for a long while — with profitable airlines and reasonable fares.

Still, the airlines will feel some bumps as U.S. entrepreneurs find ways to use cheaper technologies to offer travelers more options. One example is OneJet (<http://www.onejet.com>), run by a 29-year-old CEO, Matt Maguire.

Maguire says the major carriers have gotten so big that they have left space for "little guys" to jump into some markets. His company uses seven-seat jets to provide nonstop service between Indianapolis and Milwaukee. Passengers can book flights through travel sites such as Expedia, which eliminates the need for OneJet to build out an elaborate reservation system.

The key is to hold down costs and look for service gaps, Maguire says. "Nonstop service has been lost from a lot of markets," he said. "That leaves this niche in the market."

Since Kitty Hawk, young people have been dreaming up ways to reshape air travel. With better and cheaper technologies emerging, disrupters will find ways to keep changing travel, just as they did in 1939.

Goodbye US Airways. Hello future.

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